

PROSPECTUS

ASC Umbrella Mitigation Bank - At Powhatan

Prepared for:

ASC Land Corporation
701-A Southlake Boulevard
Richmond, Virginia 23236
Attn: David J. Sowers

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Prepared By:

Blue Ridge Land Preservation Group

P.O. BOX 635

FLOYD, VIRGINIA 24091

PH: 540-250-6355 ECOLOGIST@SWVA.NET

PH: 540-420-4322. BLUERIDGELAND@GMAIL.COM



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1. INTRODUCTION

The Bank Sponsor, Blue Ridge Land Preservation Group (BRLPG), acting as the designated agent for David J. Sowers, proposes to establish an umbrella mitigation bank (the “Bank”) to provide off-site compensation for the unavoidable loss of waters of the United States, and State waters, and their functions as a result of impacts within the proposed bank’s Geographic Service Area (GSA). This phase of the Umbrella Bank, to be known as the ASC Umbrella Mitigation Bank at Powhatan, is contained within approximately 200 acres of a 464 acre property, which includes portions along Norwood Creek and Dutoy Creek. The Bank is located approximately one mile from the James River, near Midlothian, in Powhatan County Virginia (Figure 1). The proposed bank is located in the Middle James River watershed and is defined by the hydrologic unit code (HUC) 02080205 (Figure 2). The adjacent HUC’s (02080203, 02080204, and 02080207) of the proposed bank are also shown on Figure 2; as well as HUC 02080206 which is in the Lower James River watershed. This proposed mitigation bank will service the Middle and Lower James River watershed in Virginia; with the service area including all or portions of the counties of Powhatan, Amelia, Buckingham, Cumberland, Goochland, Henrico, Prince Edward, Appomattox, Nottoway, Albemarle, Amherst, Nelson, Fluvanna, Dinwiddie, Hanover, and Prince George. The service area also includes all or portions of the major cities of Richmond, Lynchburg, Hopewell, Petersburg, Farmville, and Colonial Heights.

An Umbrella Mitigation Banking Instrument (UMBI) will be developed by the BRLPG to establish the ASC Umbrella Mitigation Bank, and will be submitted to the Corps of Engineers (COE) and the Interagency Review Team (IRT) at a later date. A separate Site Development Plan (SDP) will be developed for the Powhatan site as well as any other properties; including site vicinity maps, summary of existing conditions found at all sites, mitigation design for the properties - including figures, monitoring plans, success criteria, and a timetable for implementation and completion, as well as survey and deed restrictions. The UMBI and the Bank will be developed and operated in accordance with the Code of Virginia §33.1-223.2.1 Wetland Banking; and “Compensation Mitigation for Losses of Aquatic Resources”, Federal Register, 40 CFR, Part 230, dated April 10, 2008.

1.1. Goals and Objectives

The Bank is being developed to provide a mitigation option for projects located within the James River Basin GSA’s that require compensation for unavoidable impacts to jurisdictional waters of the U.S, as well as to all State waters of Virginia. Currently, several other stream and/or wetland mitigation banks exist within the GSA’s serviced by this proposed mitigation bank. The goals and objectives of this Powhatan bank will focus on preserving and enhancing important ecological relationships between the proposed mitigation streams and wetlands, the adjacent riparian and upland/wetland buffers. Improvements to stream channels will include the use of common bioengineering techniques coupled with

natural stream channel design which will ensure a quality stream that includes the correct dimension, pattern, and profile that can effectively transport the flow rates and sediment produced by its watershed. This will improve sediment and nutrient trapping within the floodplain, reduce sediment rates from stream bed incision and stream bank erosion, improve the fisheries/wildlife/benthic habitat features of the streams, and protect waters from degradation due to erosion. The riparian plantings, as well as wetland improvements, will effectively improve habitat productivity, food production and diversity, and will continue to reduce sediment transport and flow rates produced by the watershed. This will improve sediment and nutrient trapping within the floodplain, reduce any future sediment rates and stream bank erosion, improve the wildlife/benthic habitat features of the stream and riparian areas, and protect the properties from degradation due to potential logging, agricultural and livestock practices, and subsequent erosion. The wetlands, streams, forested and riparian buffers, will subsequently be preserved in perpetuity upon recordation of the restrictive deed covenants. The majority of existing open space areas (approximately 18 acres) found adjacent to the proposed restored streams will be enhanced with heavy planting (400 stems/acre) of native trees and shrubs, adaptable to wetland hydrology.

The mitigation banking site at Powhatan will include stream restoration and stream preservation; planting and preservation of 100' riparian buffers along headwater streams and larger creeks; preservation of existing riparian buffers along Norwood and Dutoy Creek; as well as wetland creation and wetland preservation. There are no water rights issues related to any of the proposed mitigation work. All of the planted species (native) will be within the 100 year floodplain areas and therefore, will be chosen based on their adaptability and ability to thrive in such conditions, as well as the ability to provide important functions that benefit water quality, as well as wildlife. Opportunities for restoration of approximately 9900 linear feet of streams (within 7 separate areas of previously channelized streams) and restoration of approximately 18 acres of forested wetlands (within 4 separate areas) exist on-site; and each area has been identified on the conceptual banking map (Figure 4).

2. EXISTING SITE CONDITIONS

2.1. Property Description

The Bank at Powhatan will be located on a portion of a 464-acre property that is characterized as heavily wooded, with a mix of young to mature hardwood trees. The site also contains a mixture of some open fields, forested uplands, and forested wetlands. Approximately 107 acres of forested wetlands exist on the site; and have been delineated and confirmed by the Corps of Engineers Richmond Field Office on November 29, 2007. The dominant plant species are designated facultative wet (FACW) or facultative (FAC) and include willow oak, red maple, and sweet gum. Historically, the entire site has been significantly disturbed by farming, logging and mining practices. A large portion of Norwood Creek (approximately 5500 linear feet), as well as a smaller section of Dutoy Creek (approximately 1800 feet)

were channelized in the 1950's to decrease periodic flooding for the implementation of commercial farming practices. The excavated material was placed along the creek banks and formed an earthen berm; subsequently disconnecting streams and the adjacent floodplains. In addition, evidence of the farming rows is still visible throughout the property. According to the Soil Survey of Powhatan County, Virginia, issued by the U.S. Department of Agriculture the soils within the areas proposed for wetland creation primarily are Forestdale and Chenneby silt loams; as identified on the aerial photograph (Figure 3). The site is located at 37° 34' 23" N and 77° 44' 34" W; on the southern side of Rt. 711 between the community of Subletts, near Rt. 614, and Manakin Church, near Route 652. The site contains several access roads, as well as old logging roads, which all provide easy access throughout the property. The relatively low, passive usage of hiking and hunting within the proposed Banking area site does not expect to change through the implementation of the Mitigation Bank and recordation of the required conservation easement.

2.2. Topography

The proposed stream mitigation bank site is displayed on both the Midlothian and Fine Creek Mills, Virginia; United States Geological Survey (USGS) 7.5-minute topographic quadrangle map (Figure 1). The property contains a mixture of level, and moderately sloping topography with numerous intermittent and perennial streams. The site primarily slopes towards Norwood Creek before flattening out on the floodplain. The topography contains elevations ranging from approximately 200 feet above mean sea level (AMSL) in the highest areas to approximately 130 feet AMSL where Norwood and Dutoy Creeks flow through the property.

2.3. Jurisdictional Waters

The Powhatan site contains many jurisdictional streams, as well as Norwood and Dutoy Creeks. Approximately 31,300 linear feet of existing streams are included in this prospectus. Several of the proposed mitigation streams flow directly into the Norwood Creek, although some on-site streams take a more circuitous route through forested areas before joining Norwood Creek near the downstream portion of the property. There are numerous forested islands located within the braided sections of Norwood Creek; and comprise part of the property line on the southern and eastern border of the property. A total of approximately 31,300 linear feet of existing streams and 9,900 of restored streams; as well as the preservation of 32.8 acres of forested wetlands and the creation of 18 acres of forested wetlands are proposed for the bank.

The majority of the riparian buffers found along the streams are in excellent condition. There are very few areas that may require minor in-fill planting in order to maximize stem density. A host of logging roads wind along stream corridors throughout the property and provide good walking trails however; some of the logging roads may be abandoned and the open areas planted for enhancement to the streams; and

will be further identified in the Bank Development Plan. Sections of Dutoy Creek and Norwood Creek flow along the boundary of the property.

Forested wetland plantings would occur along at least 3,500 linear feet of all stream restorations, as well as any other areas that are identified as needing enhancement. The newly established riparian wetland buffers will provide increased shading to the waters along the nearby headwater streams. Additionally, the role of the planted buffers will be to reduce sediment transport by providing soil stability and stability to stream banks with the help of the growing root systems. Furthermore, the buffers address nutrient run-off via the newly planted vegetation and its effectiveness in up-taking and using available nutrients within the runoff. This provides a significant degree of filtering of the runoff before it enters the James River, roughly one mile downstream of the property line.

2.4. Presence of Threatened and Endangered Species

The Powhatan site was researched for the presence of threatened and/or endangered species in and around the proposed mitigation site (3-mile radius). The Virginia Fish and Wildlife Information Service (VAFWIS) database was utilized for this report.

To summarize the Virginia Fish and Wildlife Information Service (VAFWIS) report, there were no threatened or endangered species found or documented on-site. Six state threatened and/or endangered species were listed in the VAFWIS database as having been documented within three miles of the subject property (Table 1). No federal threatened or endangered species have been documented within three miles of the subject property.

Table 1. Federal and State Threatened and Endangered species found within three miles of subject property.

Common Name	Scientific Name	Status
Brook Floater	<i>Alasmidonta varicosa</i>	SE
Upland Sandpiper	<i>Bartramia longicauda</i>	ST
Loggerhead Shrike	<i>Lanius ludovicianus</i>	ST
Bald Eagle	<i>Haliaeetus leucocephalus</i>	ST
Atlantic Pigtoe	<i>Fusconaia masoni</i>	ST
Migrant Loggerhead Shrike	<i>Lanius ludovicianus migrans</i>	ST

** SE = State Endangered

** ST = State Threatened

The Powhatan site is located in Subletts, Virginia, roughly one mile from the James River in Powhatan County. The site is located within the floodplain of the James River and contains numerous streams and wetlands of different size and quality. The streams found on-site range from stable first order streams to higher order streams such as Dutoy and Norwood Creeks. There are several channelized

streams found on-site, relicts from a time when the land was altered and drained for agricultural purposes. Some wetlands have been ditched, others remain healthy. Wetland diversity on-site includes healthy emergent, scrub-shrub, and forested wetlands. Bottomland hardwood wetlands dominate portions of the site. The site also contains some prior converted wetlands. Overall, the site contains a great diversity of stream and wetland conditions and habitat for the many species of flora and fauna that inhabit the site and/or migrate to and from the site seasonally.

Based on findings from the VAFWIS database, the subject property is not used by anadromous fish species and does not contain fish impediments. Roughly one mile upstream of the Norwood Creek-James River confluence, the James River is classified as Federal Threatened and Endangered (T&E) waters. This section of the James River is located within the three mile radius of the subject property. Upstream of this section the James River is classified as State T&E waters, however, this section of the James River is not located within the three mile radius of the subject property. A small portion of the Virginia Bird Breeding Block Atlas is located within the three mile radius of the subject property, however, is not located on-site. In conclusion, the proposed Bank site does not contain documented Federal or State Threatened and/or Endangered species, waters, or bird breeding blocks. The Bank site is located within close proximity to Federal T&E waters within the James River, therefore this project could be an overall benefit to water quality within the James River just below the T&E waters.

3. ESTABLISHMENT AND USE OF CREDITS

An evaluation of the credit analysis will be performed by the IRT to determine the exact amount of credits the ownership can expect as a result of bringing this proposed bank on-line. A conceptual Site Development Plan (SDP) will be prepared and submitted to the IRT for review. The final calculation of the anticipated credits generated, as a result of the proposed site, will be determined by the IRT based upon final approval of the SDP. The mitigation credits will be made available in accordance with current guidance published by the COE and Department of Environmental Quality (DEQ). However, a preliminary analysis of the Unified Stream Methodology (USM) determined the site would generate roughly 18 forested wetland creation credits; 3.28 wetland preservation credits; (total of 21.28 wetland credits) – and 9,900 stream restoration credits; and 4,410 stream preservation riparian buffer credits (total of 14,310 stream credits). The total number of credits generated would be a result of Priority 1 stream restoration along 9,900 linear feet of streams (9,900 stream credits); preservation of 100' riparian buffers along 31,300 linear feet of high quality streams (4,200 stream credits); preservation of 300' riparian buffers along 1500 linear feet of feet of high quality streams (210 credits); heavy planting of 18 acres of forested wetlands adjacent to six restored streams (18 wetland credits); and preservation of 32.8 acres of forested wetlands (3.28 wetland credits).

Disclaimer

The UMBI will not supersede or alter the statutory authorities and responsibilities, regulations, policies, and guidance of the signatory agencies or any other group.

4. ESTABLISHMENT OF THE BANK**4.1. Umbrella Mitigation Banking Instrument (UMBI)**

The UMBI and the development and operation of the Bank will be in accordance with the most current version of the Mitigation Banking Template provided by the Norfolk District, Corps of Engineers; as well as the “Compensation Mitigation for Losses of Aquatic Resources”, Federal Register, 40 CFR, Part 230, dated April 10, 2008.

The land owner, David J. Sowers, proposes that the Bank at Powhatan be managed by Blue Ridge Land Preservation Group (BRLPG). The BRLPG will be responsible for annual management and operations of the proposed bank. The qualifications of BRLPG include having reviewed, assisted and/or designed numerous stream enhancement projects over the previous 10 years. The BRLPG has received training in stream and wetland mitigation design, as well as natural stream channel design (Rosgen 1-4). Additionally, the BRLPG is currently working on the development of three mitigation banking sites within the Roanoke River Basin (located in Callaway, Shawsville and Gretna) and two mitigation banking sites within the New River Basin (located in Floyd and Fries). The Powhatan site proposes wetland creation and wetland preservation; restoration of streams, preservation and enhancement of riparian systems and associated stream/river corridors; specifically for the purpose of generating compensation credits. David J. Sowers and Blue Ridge Land Preservation Group will provide for the long term preservation and management of the proposed Bank site.

4.2. Permits

Blue Ridge Land Preservation Group, on behalf of the property owner will obtain all documentation, permits and other authorizations required to establish and maintain the Bank.

4.3. Bank Development Plan

Blue Ridge Land Preservation Group on behalf of David J. Sowers will prepare an UMBI that will represent the framework for the proposed site. The proposed bank will be included in the UMBI and developed conceptually, and in final form, through the Site Development Plan (SDP). This documentation will be submitted and presented to the IRT for review and approval. Development of the proposed site will be initiated with the submission of the conceptual SDP for the IRT to evaluate. Upon receiving a conceptual approval by the IRT, Blue Ridge Land Preservation Group will proceed with the preparations

for the development of the final SDP. As with the conceptual SDP, the final documentation will also be forwarded to the IRT for review and approval. Upon receiving final approval of the SDP from the IRT, the documentation will be included as an Addendum to the UMBI. As a result, the proposed mitigation bank site will then be deemed a component of the UMBI. Fifteen (15) percent of the credits will then be released consistent with the schedule of credit availability in accordance with the final SDP. An approved bank site, or an approved phase of the bank site, may be left undeveloped if no pre-sale or other credits have been debited for the site in the event the final SDP is not approved, the IRT will provide David J. Sowers with specified reasons for not approving the submittal. Furthermore, Blue Ridge Land Preservation Group may then resubmit a revised final SDP with the specific modifications and/or justifications that address the IRT concerns.

4.4. Financial Assurances Requirements

David J. Sowers will provide financial assurances for the proposed site as part of the individual SDP acceptance forms of financial assurance that will be established in the UMBI.

4.5. Real Estate Provisions

David J. Sowers will record a restrictive covenant easement, or similar maintenance agreement with regards to the proposed bank. This agreement may also be transferable to an acceptable conservation organization upon fulfillment of project objectives with proposed Bank ownership remaining with the titled owner. David J. Sowers will provide the perpetual protection and preservation of the proposed bank site through maintenance agreements, restrictive covenants, and/or conservation easements. These provisions will conform to current Norfolk District Corps of Engineers guidance with language allowing road easements, road/bridge crossings, hiking paths and trails, and other activities. Each real estate instrument used must be approved by the IRT.

5. OPERATION OF THE BANK

5.1. Service Area

The geographic service area (GSA) for the proposed Bank includes Hydrologic Unit Codes (HUCs) for the Middle and Lower James River watershed in Virginia, including all or portions of the following counties: Powhatan, Amelia, Buckingham, Cumberland, Goochland, Henrico, Prince Edward, Appomattox, Nottoway, Albemarle, Amherst, Nelson, Fluvanna, Dinwiddie, Hanover, and Prince George. The service area includes all or portions of the major cities of Richmond, Lynchburg, Hopewell, Petersburg, Farmville, and Colonial Heights. The Bank is proposed to service all areas within the Middle James River watershed which is defined by the hydrologic unit code (HUC) 02080205, 02080203, 02080204, and 02080207; as

well as the Lower James River watershed (HUC 02080206), and is shown on the map identified as Figure 2.

5.2. Conditions on Debiting (Credit Availability and Accounting Procedures)

Blue Ridge Land Preservation Group (BRLPG), on behalf of the property owner will establish and maintain a banking ledger which documents credits and debits to the proposed Bank account. Each time an approved debit/credit transaction occurs, BRLPG will submit a statement to the permitting agencies. BRLPG will also generate an annual ledger report to be submitted to all members of the IRT. The ledger will be available for inspection upon written request by any of the participating agencies.

5.3. Use of Credits

The following types of projects may be eligible to use available credits offered by the Camp Dickenson site:

1. All activities regulated under Section 10 of the Rivers and Harbors Act, Section 404 of the Clean Water Act (CWA) and/or Virginia Water Protection Permit Regulations (9 VAC 25-210) located within the GSA of the stream bank may be eligible to use the Powhatan site as compensatory mitigation for unavoidable impacts.

2. Credits may be used to compensate for environmental impacts under other programs (civil works, Superfund removal and remedial activity, supplemental environmental projects for Federal and State enforcement actions, etc.).

3. For projects in the GSA that require authorization with a Nationwide Permit (NWP) under Section 404 of the CWA and/or Section 10 of the Rivers and Harbors Act, Norfolk District State Program General Permit (SPGP), and/or a Virginia Water Protection Permit, and that require compensatory mitigation. Credits from the Powhatan site may be used to satisfy these compensatory mitigation requirements if the Bank ownership and the third party permittee reach a mutually acceptable financial agreement that is subject to regulatory approval on a case by case basis.

4. For projects located in the GSA that require authorization with an Individual Permit (IP) under section 404 of the CWA and/or Section 10 of the Rivers and Harbors Act and/or Virginia Water Protection Permit, the COE and DEQ, in consultation with the other regulatory and resource agencies, will determine the eligibility of such projects to use the ASC bank site on a case by case basis. Once the COE and/or DEQ have determined that mitigation in the Bank is ecologically preferable to any on-site alternatives, or that there are no practicable on-site alternatives, mitigation may be provided by the use of mitigation credits for the Bank as determined by the COE and/or DEQ for each agency's respective permits if the bank ownership and the third party permittee reach a mutually acceptable financial agreement.

6. MAINTENANCE AND MONITORING OF THE BANK

6.1. Maintenance, Monitoring, & Success Criteria

Prior to the release of credits, David J. Sowers will provide appropriate financial assurance acceptable to the IRT in accordance with the terms of the UMBI and the final SDP. The financial requirements will be reduced over time as the SPD is implemented. Blue Ridge Land Preservation Group will ensure all monitoring and maintenance will be undertaken during the success criteria time period. BRLPG will provide maintenance and monitoring in accordance with the terms and conditions outlined in the UMBI and SDP. Monitoring will include data collection for the indicators of success specified for the site. Monitoring reports will be submitted to the IRT according to the schedule set forth in the SDP and will be used to evaluate site performance relative to the performance established in the SDP. Remedial actions to the Bank site may be necessary during operational life of the bank. If Blue Ridge Land Preservation Group has followed the SDP but performance criteria are not being met, the IRT will assist in the development of measures to meet performance criteria while holding additional cost to a minimum.

6.2. Long Term Protection

Consistent with the conditions of the UMBI, a maintenance agreement, conservation easement or declaration of restrictive covenants will be recorded prior to the sale of any credits to assure preservation of these lands in perpetuity. Copies of documents of long term protection measures will be included in the SDP. The approved and debited credits in the proposed site will be retained in perpetuity by David J. Sowers. Decisions concerning the operational life of the proposed mitigation bank, long-term monitoring/management, remedial actions, and financial assurances will be made in accordance with the "Compensation Mitigation for Losses of Aquatic Resources", Federal Register, 40 CFR, Part 230, dated April 10, 2008. These decisions will be agreed upon in the final SDP signed by the ownership, bank management, and the participating parties.

7. RESPONSIBILITIES OF THE IRT

The IRT agrees to:

- A. Review and provide comments on conceptual and final SDP within 30 days of receipt.
- B. Review and provide comments on annual reports within 60 days of receipt.
- C. Review and provide comments on adaptive management plans and/or required remedial action plans within 60 days of receipt.

8. RESPONSIBILITIES OF THE SITE OWNERSHIP

David J. Sowers agrees to:

- A. Establish and/or maintain the Bank site until :
 - 1. Credits have been exhausted and the debited site has satisfied all the conditions stated in the approved SDP, or
 - 2. Banking activity is voluntarily terminated through written notice by David J. Sowers with approval of the IRT.
- B. Submit to the IRT an annual report describing the condition of the site in relation to the success criteria outlined in the final SDP, as well as relating the overall activity of the ASC Umbrella Mitigation Bank at Powhatan.
- C. Develop necessary adaptive management plans and/or implement appropriate remedial actions for the site in coordination with the IRT in the event the proposed mitigation site fails to achieve success as specified in the final SDP.

FIGURE 1
(Site Vicinity Map)

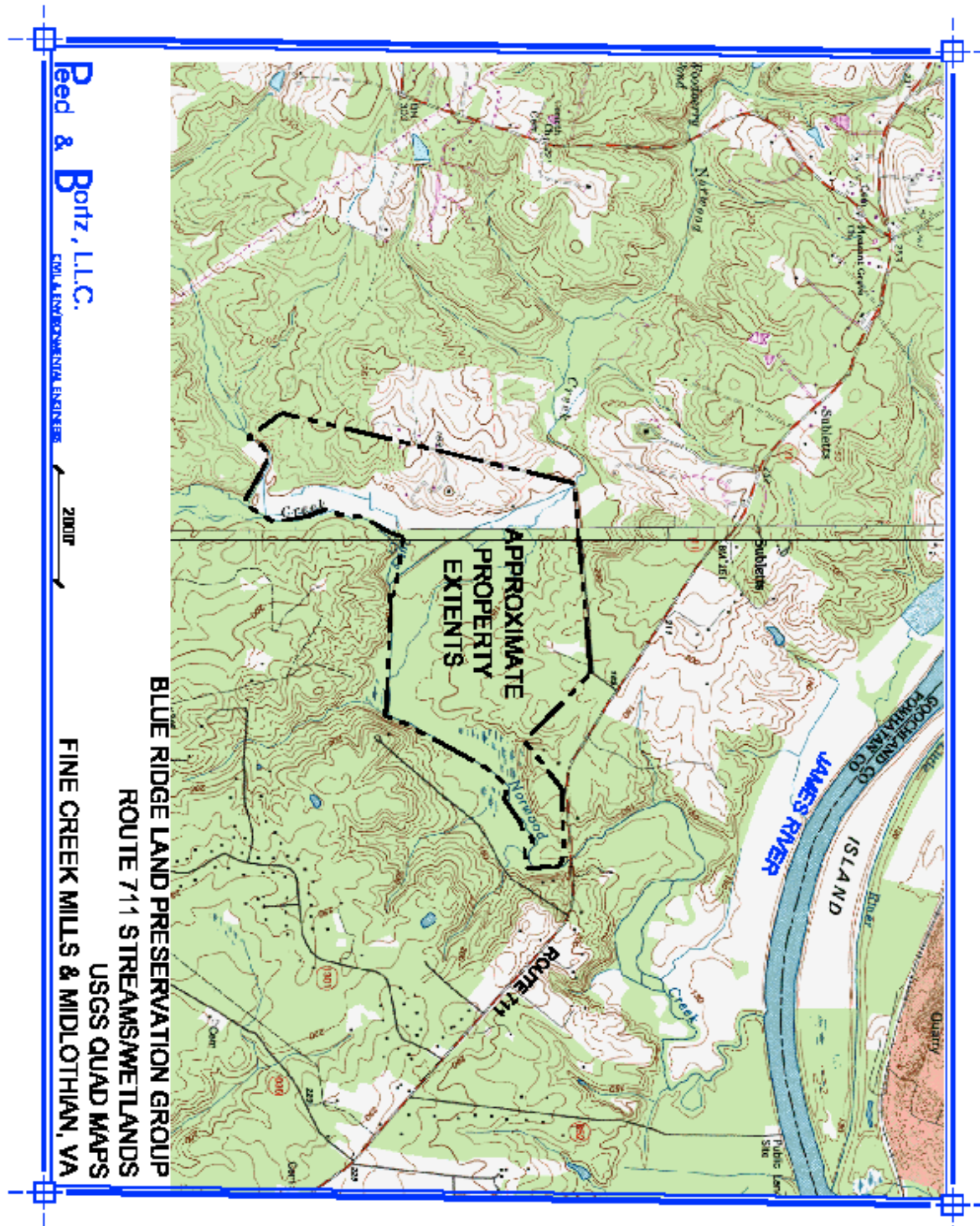


FIGURE 2
(Service Area - HUC Map)

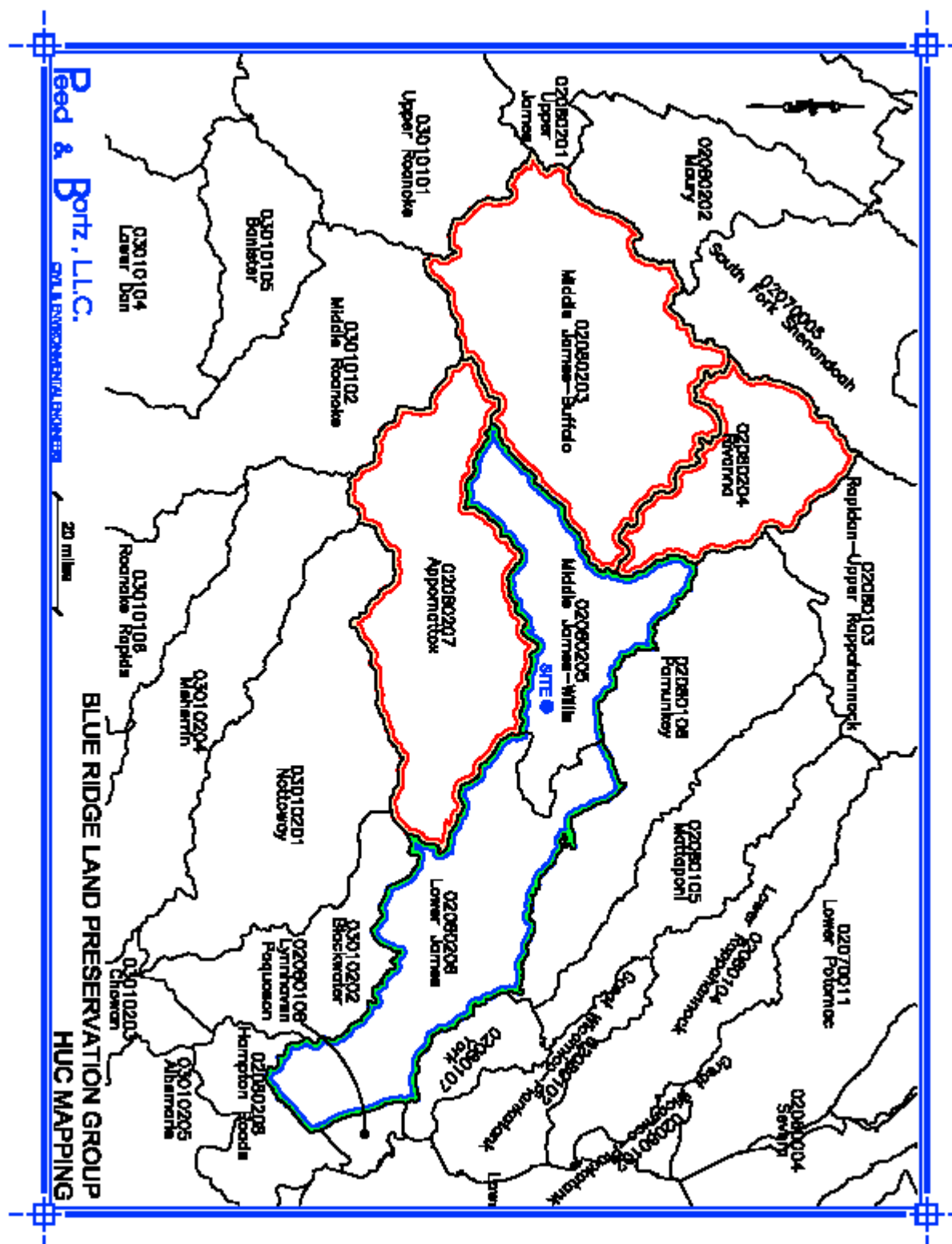
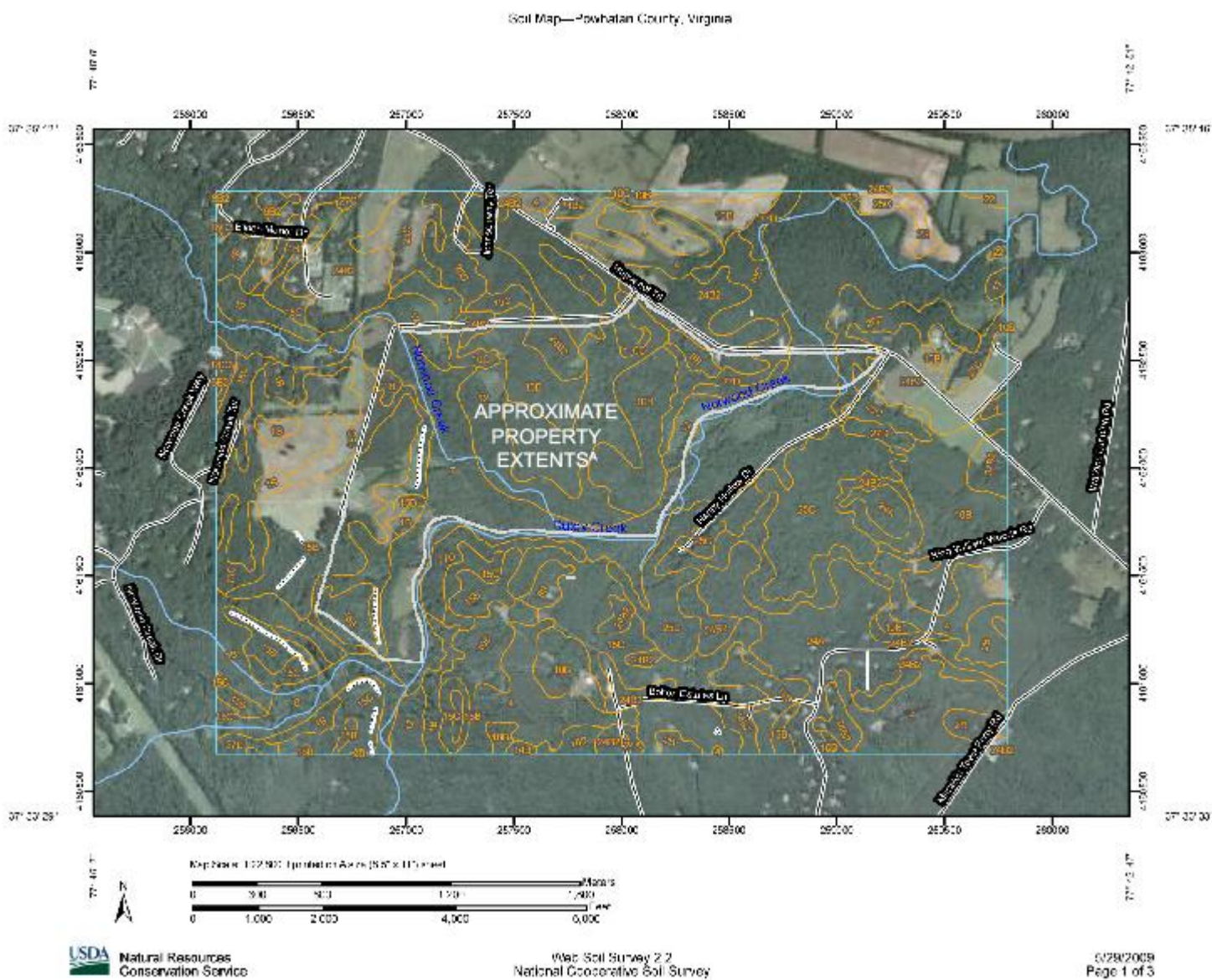


FIGURE 3
(USDA Soil Survey Map)



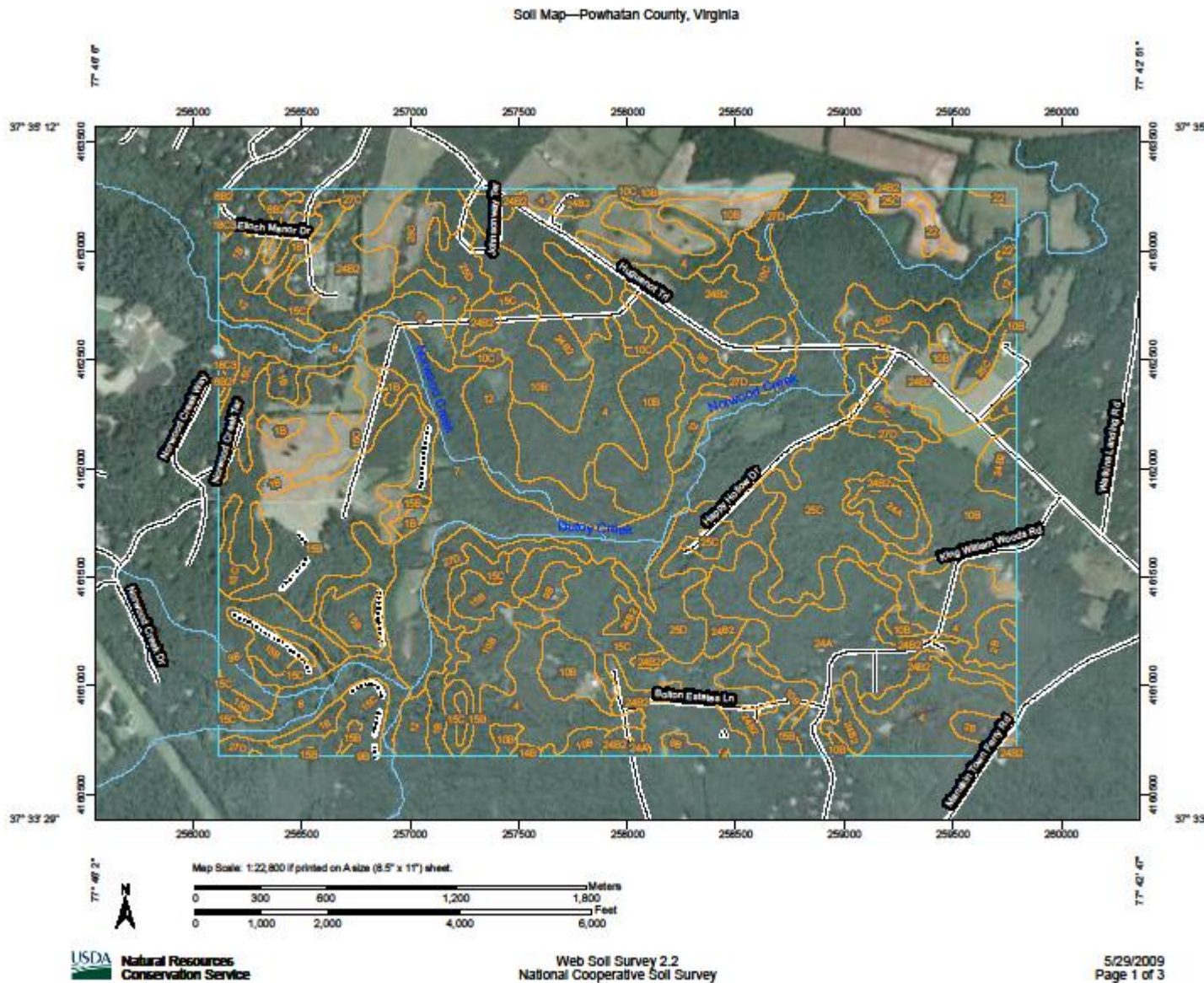


FIGURE 4
(Conceptual Banking Map)

